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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 08/01/07-1

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- 5) Half the country wants Prime Minister Abe to resign in Kyodo poll; Cabinet support rate drops 6.8 points to 29%
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1) TOP HEADLINES

Asahi:

Poll: 47% want Prime Minister Abe to quit, while 40% want him to stay on in office

Mainichi:

Nagoya District Court orders state and drug maker to pay compensation to people who contracted hepatitis-C through state-approved drugs

Yomiuri:

Poll: 44% approve of Abe's decision to stay on in office, while 45% disapprove

Nikkei:

Government to adopt open source OS to provide administrative services via Internet

Sankei:

Agriculture Minister Akagi likely to step down

Tokyo Shimbun:

Poll: 49.5% want Abe to step down, while 43.7% want him to stay on; Cabinet support rate drops to 29%

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Akahata:

US House adopts "comfort women" resolution

2) EDITORIALS

Asahi:

- (1) US House passes comfort women resolution: Prime Minister Abe should issue statement
- (2) DPJ must prioritize policy over political maneuvering

Mainichi:

- (1) DPJ should go head-to-head with ruling coalition
- (2) Japan should make efforts to bridge gaps in historical views of the war

Yomiuri:

- (1) Concern about US House's passage of comfort women resolution
- (2) Break-up of Comsn serves public good

Nikkei:

- (1) Ruling, opposition camps must have open dialogue to dispel public distrust in pension system
- (2) Comfort women resolution might hurt Japan-US relations

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- (1) Comfort women resolution: Correct misconceptions
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Tokyo Shimbun:

- (1) Comfort women resolution: History must constantly be relearned
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Akahata:

Comfort women resolution: Abe diplomacy should break away from US

3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, July 31

NIKKEI (Page 2) (Full)  
August 1, 2007

10:03

Cabinet meeting at the Kantei, followed by a meeting of the Comprehensive Ocean Policy Headquarters. Internal Affairs and Communications Minister Suga and State Minister for Financial Policy Yamamoto remained.

11:15

Met with Deputy Chief Cabinet Secretary Matoba, followed by Lower House member Tadamori Oshima.

13:22

Met with Matoba.

13:31

Visited former Prime Minister Nakasone at his office in Hirakawacho.

13:57

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Visited former Prime Minister Kaifu at his office in Nagatacho.

14:27

Visited former Prime Minister Mori at his office in Nagatacho.

15:06

Met with Executive Council Chairman Niwa at the Kantei.

19:03

Arrived at the official residence.

4) Poll: 44% call for Diet dissolution this year; Cabinet support at 28%; Nonsupport shoots up to 63%

NIKKEI (Page 1) (Abridged)  
August 1, 2007

In the wake of the ruling coalition's massive defeat in the July 29 election for the House of Councillors, the Nihon Keizai Shimbun conducted a spot public opinion survey on July 30-31. In the survey, a total of 44% urged Prime Minister Shinzo Abe to dissolve the House of Representatives for a general election within the year. The Abe cabinet's approval rating was 28%, up 1 percentage point from a survey taken July 19-21. Meanwhile, its disapproval rating jumped 13 points to 63%. Abe is in a hurry to reform his governing setup by an early shuffle of his cabinet. However, the public is taking a severe view of his administration.

Public support for political parties also underwent a sea change. The ruling Liberal Democratic Party stood at 29%, leveling off from the last survey. Meanwhile, the leading opposition Democratic Party of Japan (Minshuto) rose 14 points to 44%.

5) Poll: Public urges Abe to quit; Abe cabinet's support rate down to 29%

TOKYO (Top play) (Abridged)  
August 1, 2007

Kyodo News conducted a telephone-based nationwide spot public opinion survey on July 30-31 after Sunday's election for the House of Councillors. Prime Minister Shinzo Abe has now stated his intention to stay on as premier in spite of his ruling Liberal Democratic Party's crushing defeat in the election. In the survey, respondents were asked what they thought Abe should do. In response to this question, 49.5% answered that Abe should step down, with 43.7% saying he should stay on. The approval rating for the Abe cabinet was 29.0%, plummeting 6.8 percentage points from the last survey taken in early June. The disapproval rating for the Abe cabinet rose 10.3 points to 59.0%.

In the survey, nearly half of those who responded to the survey urged Abe to quit, revealing a strong backlash from the public. The

Abe cabinet's support rate also stays low. It was the lowest level in a series of surveys, with the exception of the 28.1% rating shown in a telephone-based survey conducted July 14-15 after the election was announced.

In the breakdown of public support for political parties, the leading opposition Democratic Party of Japan (Minshuto) stood at 37.6%, up 15.4 points from the last survey. The DPJ now tops the LDP.

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The LDP was at 31.5%, the same as in the last survey. The DPJ's support rate was an all-time high since its merger with the Liberal Party (Jiyuto) in the fall of 2003. The DPJ topped the LDP for the first time since August 2004.

6) Poll: 47% want Abe to step down; 40% want him to stay on; 60% don't support Abe cabinet

ASAHI (Top play) (Abridged)  
August 1, 2007

In the wake of the ruling Liberal Democratic Party's debacle in Sunday's election for the House of Councillors, the Asahi Shimbun conducted a telephone-based nationwide spot public opinion survey from the evening of July 30 through the night of July 31. In the survey, 47% urged Prime Minister Abe to resign, with 40% saying they would like Abe to stay on. As seen from these figures, the public is taking a severe view of the prime minister's clear intention to hang on. The approval rating for the Abe cabinet was 26%, the lowest ever since Abe took office in September last year. In the last survey taken July 21-22), the Abe cabinet support rate was 30%. Meanwhile, the disapproval rating for the Abe cabinet reached 60%, breaking that level for the first time. In the last survey, the disapproval rating was 56%. In the breakdown of public support for political parties, the leading opposition Democratic Party of Japan (Minshuto) marked 34%, substantially above the 21% rating for the LDP. The figures mirror the outcome of the election.

In the survey, respondents were also asked if they were pleased with the election results this time. In response to this question, there were many affirmative answers, accounting for 68%. Meanwhile, "no" accounted for 18%. Even among LDP supporters, there were also affirmative answers, accounting for nearly 40%.

In response to another question asking about the LDP's crushing defeat, 34% attributed it to Abe himself, with 59% saying they did not think so. Respondents were also asked to pick the primary reason from among three options for the LDP's loss of seats. To this question, 44% picked "the government's pension fiasco," with 38% choosing "scandals involving cabinet ministers" and 12% taking up the "social divide." The nation's pension system was said to be the biggest point at issue in campaigning for the election. However, the survey shows that the election results were also ascribable largely to cabinet ministers' money scandals and gaffes.

After the election, Abe said many people understood his ruling party's basic policy course. Respondents were asked if they thought that way. In response, 62% answered "no," with 26% saying "yes." As seen from these figures, there is a perception gap between the premier and the electorate. Respondents were further asked if they supported Abe's reform stance with emphasis on economic growth, 36% answered "yes," with 43% saying "no."

7) Public split, 44% for and 45% against, over whether prime minister should stay or quit, according to Yomiuri spot opinion poll

YOMIURI (Top play) (Excerpts)  
August 1, 2007

The Yomiuri Shimbun on July 30-31 carried out a spot opinion poll

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nationwide (by telephone) on the results of the Upper House election. Asked about the election results of the ruling coalition of the Liberal Democratic Party and the New Komeito suffering a defeat, and the Democratic Party of Japan (DPJ or Minshuto) becoming the number 1 party in the Upper House, 64% said they were pleased, far more than the 21% who said they were not. Regarding Prime Minister Shinzo Abe's decision to stay on in office, 45% were against it and 44% approved. Although there have been views that the election result was a vote of no-confidence in the prime minister, the public is clearly split on whether he should stay on or leave office.

8) "I will reshuffle the cabinet, including Agriculture Minister Akagi," says prime minister, but steers clear of mentioning when

ASAHI (Page 4) (Excerpts)  
August 1, 2007

Concerning a cabinet reshuffle to be carried out following the ruling parties' crushing defeat in the Upper House election, Prime Minister Abe yesterday said, "I will reshuffle the cabinet, including Agriculture Minister Akagi." It has been only two months since Akagi took office as agriculture minister, succeeding former Agriculture Minister Matsuoka, who killed himself. However, Abe has indicated his intention not to reappoint him, because Akagi has been under constant criticism over his management of political funds. Regarding the timing for the reshuffle, he indicated a stance of undertaking personnel selection in a cautious manner, just by repeating, "I will give much thought to it."

The prime minister made those statements in response to questions asked by reporters at the Kantei. It is unusual for any prime minister to mention the name of a specific cabinet minister before reshuffling his cabinet. His statement is viewed as being based on the fact that many have pointed out that one cause of the ruling parties' devastating defeat in the Upper House election was Akagi's approach to his political funds problem. Some LDP members are calling on the prime minister to deal with personnel matters as soon as possible. Abe responded: "Regarding the timing, I will be deliberate in council and prompt in action, while taking my own schedule and the political schedule into full consideration. I would basically like to carry out cabinet and LDP leadership reshuffles simultaneously." He thus hinted at his intention to carry out the reshuffles late August or later after winding up his trip to India, etc. which is to take place from Aug. 19-25.

9) Many LDP executives criticize prime minister's staying in power

TOKYO SHIMBUN (Page 2) (Full)  
August 1, 2007

In a meeting of the Liberal Democratic Party Executive Council yesterday, criticism erupted over Prime Minister Abe's decision to stay on despite the party's crushing defeat in the July 29 House of Councillors election.

Keeping in mind the prime minister's reference to the Upper House election as "an occasion for voters to decide on who is more qualified to serve as prime minister, Mr. (Ichiro) Ozawa or myself," former Home Affairs Minister Takeshi Noda said: "The prime minister pressed the voters to choose which party should take power in the Upper House election. As a result, since he was completely defeated,

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he should decide (to resign)." Former Defense Agency Director General Shigeru Ishiba also criticized the prime minister's decision to stay in power, saying: "How is he going to explain it to the voters?"

Former Secretary General Koichi Kato, even while approving of the prime minister's staying on, expressed his dissatisfaction with the fact that plans to change the lineup of party executives and cabinet members are being discussed before the election outcome has been analyzed. He said: "The LDP will become completely hopeless if it pushes ahead with things without analyzing the cause of its defeat

in the election."

Over the office expense scandal involving Agriculture, Forestry and Fisheries Minister Norihiko Akagi, former Minister of International Trade and Industry Takashi Fukaya stated: "The government is taking stopgap measures. Does he have the competence required of an agriculture minister? He should immediately step down."

The prime minister told reporters at his official residence last night: "While taking criticism seriously, I would like to make utmost efforts to produce results."

10) Move to debate constitutional revision stalled with opposition parties taking control of Upper House deliberations; Prime minister's scenario derails

TOKYO SHIMBUN (Page 2) (Full)  
August 1, 2007

Discussion of constitution revision, to which Prime Minister Abe has given top priority, will likely be stalled due to the Liberal Democratic Party's (LDP) crushing defeat in the Upper House election. There is now but a slim chance that discussion of constitutional revision will progress at the speed desired by Abe, due to the huge election win by the Democratic Party of Japan (DPJ), which takes the stand that issues concerning people's daily lives, such as the pension fiasco, are more important than amending the Constitution.

Abe during a press conference on July 30 said in disappointment: "Unfortunately we were unable to debate the Constitution in the election this time. I would like to discuss the issue by properly sparing sufficient time in the future." He has apparently toned down his drive to amend the Constitution from the statement he made in his New Year's press conference, in which he categorically noted that he wanted to make a public appeal on his cabinet aiming at constitutional revision.

New Komeito head Akihiro Ota during a meeting with Abe yesterday advised him, "Constitutional affairs, of course, are important, but it is important for you as prime minister to come up with a clear-cut stance toward matters related to the people's daily lives, such as income disparities between urban and rural districts.

Abe had planned to fight the Upper House election with constitutional revision as a major campaign issue. To that end, he had secured the passage of the National Referendum Law (constitutional revision procedures law) in May, enabling the ruling coalition to propose constitutional revision in 2010. Following Abe's will, the LDP's election manifesto included a pledge that the LDP would stage a national movement with the aim of proposing

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constitutional revision in the Diet in 2010.

The LDP had a scenario of having constitution examination councils to be established both in the Lower and Upper Houses in the next extraordinary Diet outline a constitutional revision bill so as to heighten a mood for revising the Constitution in one sweep.

However, the atmosphere has completely changed due to the ruling parties' devastating defeat. Chances are now the DPJ will seize the chairmanships of both panels and take the lead in discussions by the panels. Given the observation that the number of DPJ lawmakers who support who the current Constitution is larger in the Upper House than in the Lower House, it will become difficult for the ruling parties to lead discussion as it desires.

LDP sources are lamenting the situation with one party official saying, "Discussion on constitutional revision will be slow. Prospects for proposing constitutional revision in 2010 has dimmed. It is undesirable that discussion of constitutional revision be dictated by politics."

11) Diet rejection of antiterrorism law extension would harm Japan-US alliance

The extension of the Antiterrorism Special Measures Law, the legal basis for the Maritime Self-Defense Force's refueling activities in the Indian Ocean, is expected to be the biggest issue in the extraordinary Diet session this fall. The government plans to submit a bill extending the law, which is scheduled to expire on November 11. Meantime, the opposition camp, which obtained a majority in the House of Councillors in Sunday's poll, is poised to oppose that legislation. A termination of the SDF mission against the background of the deteriorating situation in Afghanistan might rock the foundation of the Japan-US alliance and undermine Japan's international credibility.

Prime Minister Shinzo Abe told reporters yesterday: "Japan has been making international contributions based on this law to meet international expectations. We will work hard to obtain the support of the Democratic Party of Japan, as well." Although a government source also indicated that the government would seek the opposition camp's cooperation, the situation is unpredictable.

In the wake of the September 11, 2001 terrorist attacks on the United States, the government established the law, and in December that year the MSDF began refueling vessels of US-led coalition forces taking part in the war on terror in Afghanistan. Two MSDF vessels -- one supply ship and one destroyer -- are now deployed in the Indian Ocean.

The DPJ, which had opposed the establishment of the law from the start, has since opposed extending the MSDF mission on three occasions, citing a lack of a prior Diet approval system. DPJ President Ichiro Ozawa indicated yesterday that his party would oppose the law's extension in the next Diet session, saying: "We have opposed the measure in the past, and there is no reason for us to support it in the upcoming Diet session."

Even if the bill is rejected in the opposition-controlled Upper

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House, it could be enacted with two-thirds approval back in the Lower House. Although the ruling coalition holds the necessary seats in the Lower House, the government and the ruling bloc fear that the DPJ, which is expected to grab the Upper House presidency and the chairmanship of major committees in the chamber, might block the Lower House's re-approval of the bill by calling for thorough deliberations in the Upper House.

Clause 4 of Article 59 of the Constitution stipulates: Failure by the House of Councillors to take final action within 60 days after receipt of a bill passed by the House of Representatives may be determined by the House of Representatives to constitute a rejection of the bill by the House of Councillors. For this reason, some have begun to point out the need to start Diet deliberations early. A senior Defense Ministry official said: "On the assumption that the Upper House will effectively reject the bill, the next extra Diet session has to be convened in early August in order to allow sufficient time for deliberations (back in the Lower House)."

In the event the government failed to extend the law, the MSDF would have to withdraw from the Indian Ocean. The SDF's participation in the war on terrorism is a symbol of the Japan-US alliance. A withdrawal would have a major impact on relations with the United States, as well. Abe delivered a speech at the North Atlantic Council in January in which he said: "Japanese will no longer shy away from carrying out overseas activities involving the SDF, if it is for the sake of international peace and stability."

"Supporting the reform bill can be a test for the DPJ to become a responsible political party," said a former defense chief of the LDP. Defense Minister Yuriko Koike, too, said in a press conference yesterday: "Making Japan withdraw from the war on terror is not an appropriate decision by any responsible party."

12) DPJ to iron out views for opposing antiterrorism law's

extension

SANKEI (Page 5) (Full)  
August 1, 2007

The major opposition Democratic Party of Japan has decided to consolidate views in the party in line with DPJ President Ichiro Ozawa's announcement yesterday opposing an extension of the Antiterrorism Special Measures Law. A Lower House lawmaker close to Ozawa predicted yesterday that the party would unanimously oppose the law, saying: "Given the party's overwhelming victory in Sunday's House of Councillors election under Mr. Ozawa's leadership, the party will reach a conclusion based on his wishes."

Conservative members in the party are also drawing attention. In fact, a lawmaker positive about the dispatch of the Self-Defense Forces for overseas missions noted: "Even if the ruling bloc expects rebellion in the DPJ, that won't happen. In the wake of the abduction of a group of South Korean civilians in Afghanistan, the public will not react negatively if (the opposition camp) calls for an end to the mission in the Indian Ocean."

Another conservative member took this view: "Mr. Ozawa expressed opposition to extending the mission under the current law. If the government and ruling bloc accepted our party's calls entirely, such as revising the retroactive Diet approval system for the dispatch of the SDF into an advance approval system, that would be a different

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story."

The DPJ has not ironed out views in the party on the special measures law. Secretary General Yukio Hatoyama suggested on July 30 that the party would oppose the law's extension, saying: "(The DPJ's) position has been that the law must not be extended. We will adhere to that policy course."

But Seiji Maehara, who futilely attempted to reach a party consensus to support the law's extension as DPJ president in 2005, expressed concern during a TV program on July 30, saying that withdrawing the Maritime Self-Defense Force would seriously harm Japan-US relations.

13) Extension of SDF dispatch to PKO in Golan Heights approved at cabinet meeting

SANKEI (Page 5) (Full)  
August 1, 2007

The government during a cabinet meeting yesterday decided to extend for six months until the end of next March the dispatch of Self-Defense Forces (SDF) personnel to the United Nations Disengagement Observer Force (UNDOF) deployed in the Golan Heights. The UNDOF is monitoring the ceasefire between Syria and Israel. The Japanese government joined the UNDOF in February 1996, based on the UN Peacekeeping Operations (PKO) Law. Currently 43 SDF personnel and two command center officers are engaging in transporting goods, repairing roads and removing snow there.

SCHIEFFER